

City of Key West

**Summary of Proposed
General Fund Budget
FY 2012-13**



General Fund Summary

| | |
|--|----------------------------|
| Fiscal Year 2012-13 Budget - Proposed | \$ 50,404,609 |
| ➤ Less: Budgeted Unrestricted Operating Reserves | (\$ 9,831,515) |
| ➤ Approx. 89 Days @ \$110,000 Per Day | |
| ➤ Less: Budgeted Restricted Operating Reserves | <u>(\$ 147,900)</u> |
| Fiscal Year 2012-13 Budget - Proposed (Less Reserves) | \$ 40,425,194 |

| | |
|--|----------------------------|
| Fiscal Year 2011-12 Budget – Adopted | \$ 49,287,010 |
| ➤ Less: Budgeted Unrestricted Operating Reserves | (\$ 9,731,700) |
| ➤ Approx. 90 Days @ \$108,000 Per Day | |
| ➤ Less: Budgeted Restricted Operating Reserves | <u>(\$ 274,000)</u> |
| Fiscal Year 2011-12 Budget - Proposed (Less Reserves) | \$ 39,281,310 |

Unrestricted Operating Reserves

| | |
|--|----------------------------|
| ➤ General Fund Cash June 30, 2012 | \$ 14,549,000 |
| ➤ Plus: Estimated Revenues for Balance of FY | \$ 6,624,108 |
| ➤ Less: Estimated Payroll for Balance of FY | (\$ 6,180,000) |
| ➤ Less: Estimated Accts Payable for Balance of FY | (\$ 2,494,350) |
| ➤ Less: Encumbrances and Accruals | (\$ 1,892,243) |
| ➤ Less: FY 2011-12 Unbudgeted PD/FD Pension Shortfall | <u>(\$ 775,000)</u> |

| | |
|---|---------------------|
| Budgeted Unrestricted Operating Reserves | \$ 9,831,515 |
|---|---------------------|

General Fund – Revenue Highlights

Ad Valorem

- **Nominal growth in Total Taxable Value from 2011 (Final VAB) to 2012 DR 420**
 - 2011 Final VAB \$4,924,659,031
 - 2012 DR 420 \$4,933,398,276
 - Less than 1/10 of One (.001) Percent Growth
 - “Little to No” Growth in Assessments & New Construction
- **FY 2012-13 “Rollback” Millage Rate 2.8613 per \$1,000**
- **FY 2012-13 Proposed Millage Rate 2.9185 per \$1,000**
 - \$300,000 in Assessment \$875.55 – City Portion
 - Or, 2.00 Percent above Rollback Rate
 - For Reference: 1 Percent Millage = \$137,000
- **FY 2011-12 Adopted Millage Rate 2.8627 per \$1,000**
 - \$300,000 in Assessment \$858.81 – City Portion
- **\$16.78 Estimated Annual Increase In City Portion of Tax Bill**
 - Based on a 2012 \$300K Assessment

General Fund – Revenue Highlights (cont'd)

➤ Cruise Ship Disembarkation

➤ Mallory Square

- 11% Decrease in budgeted Port Calls compared to PY budgeted Port Calls
- 21% Decrease in Passenger Count

➤ Outer Mole

- 9% Decrease in budgeted Port Calls compared to PY budgeted Port Calls
- 16% Decrease in Passenger Count

➤ Pier B

- 14% Decrease in budgeted Port Calls compared to PY budgeted Port Calls
- 14% Decrease in Passenger Count

➤ Total Budgeted Passengers for all Three (3) Port Locations

- Fiscal Year 2011-12 837,493
- Fiscal Year 2012-13 711,791
- Approx. 16% Decrease In Projected Passenger Count

➤ \$418,000 Budgeted Loss of Net Income from Prior Year

➤ Passenger Count Budgeted @ 98 Percent

General Fund – Revenue Highlights (cont'd)

- **State Shared Revenues**
 - Budgeted at or slightly above FY 2011-12 budget estimates
- **Federal, State, Local and TDC Grants**
 - **Approximately \$1,002,000**
 - **Federal**
 - \$495K PD Officers (8) (Awarded)
 - \$ 28K Byrne Grant and Keys to Success Grant (Awarded)
 - **State/Local**
 - \$ 75K KWHS SRO (Awarded)
 - \$ 75K Sunrise Canal Dredging (Boaters Improvement Fund)
 - \$ 9K Fire – NIMS/Certification (Awarded)
 - **TDC**
 - \$320K Beach Cleaning (Awarded)

General Fund – Revenue Highlights (cont'd)

- **“Street Parking” Hourly Rate**
 - Current \$1.50 per hour
 - Increase \$1.75 per hour
 - Increase will generate approximately \$300,000
 - No Proposed Increase to Mallory/KW Bight/Park and Ride
- **Building Fees**
 - Budgeted at FY2011-12 projected collections or \$1,250,000
- **Business Tax Receipts**
 - Budgeted for FY 2012-13 at \$1,200,000
 - Real Estate Agents Exempted by 2012 Florida Legislative effort - \$35,000 Impact

General Fund – Expenditure Highlights

- **Health Insurance Increase**
 - **Cigna has proposed 20 percent premium increase**
 - Over 45% of claims paid attributable to five (5) plan participants
 - City to pay approximately half of the premium increase
 - Employee to offset the other half of the premium increase through plan changes
- **Federal / State Lobbying Teams**
- **City Manager Operating Contingency of \$225K**
- **Approx. 89 Days of Unreserved Operating Fund Balance (Cash)**
 - In compliance with City Fund Balance Policy
 - Near Maximum Limit (91 Days)
 - Includes FY 2011-12 Unbudgeted PD/FD Pension Shortfall of Approx. \$775K
- **Habana Plaza Lease Payments - \$484,100**

General Fund – Expenditure Highlights (Cont.)

- **General Fund Position Changes:**
 - **No New Full Time Positions Proposed**
 - **Two (2) Positions Proposed for Elimination**
 - Police Department - Crime Scene Investigator
 - Finance Department – Accounting Clerk III
 - **Reclassifications of Several Positions**
 - Climate Action Plan Coordinator /Consultant – Part Time to Full Time
 - See Detail for Remaining City Manager Proposed Reclassifications
- **Reserve for FY 2012-13 Salary Adjustments**
 - **\$465,000 Reserved**
 - **Equates to an approximate 2% salary increase (benefits included)**
 - In addition to the budgeted Police/Fire Step Increases
 - Teamsters and Exempt Employees have no Step Plan
- **Contractual Step Increases for Fire and Police Departments**
 - **Either a 2.25 or 2.5 percent increase for eligible FD officers**
 - 52 Eligible / 15 (Capped Out)
 - Annual Cost of Step Plan - Approximately \$116K with Benefits
 - **Either a 3 or 5 percent increase for eligible PD officers**
 - 73 Eligible / 22 (Capped Out)
 - Annual Cost of Step Plan - Approximately \$255K with Benefits

General Fund – Expenditure Highlights (Cont.)

City Pensions

➤ General Employees Pension

| | <u>Required Percent of Payroll</u> | <u>Funded by City</u> |
|-------------|------------------------------------|-----------------------|
| ➤ FY2012-13 | 9.0 Percent (Budgeted) | \$1,000,000 +/- |
| ➤ FY2011-12 | 10.3Percent | \$1,022,366 |
| ➤ FY2010-11 | 6.9 Percent | \$1,133,177 |
| ➤ FY2009-10 | 6.2 Percent | \$1,163,828 |
| ➤ FY2008-09 | 6.8 Percent | \$1,265,870 |

➤ Police / Fire Pension

| | <u>Required Percent of Payroll</u> | <u>Funded by City</u> |
|-------------|------------------------------------|-----------------------|
| ➤ FY2012-13 | 28.0 Percent (Budgeted) | \$2,702,000 |
| ➤ FY2011-12 | 28.5 Percent | \$2,745,976 |
| ➤ FY2010-11 | 24.8 Percent | \$2,402,226 |
| ➤ FY2009-10 | 23.5 Percent | \$2,058,415 |
| ➤ FY2008-09 | 21.8 Percent | \$2,022,206 |

General Fund – Expenditure Highlights (Cont.)

➤ Homeless Services

| | <u>FY2011-12</u> | <u>FY2012-13</u> |
|-------------------|-------------------------|-------------------------|
| Overnight Shelter | \$382,100 | \$363,059 |
| Mobile Outreach | \$ 42,000 | \$ 38,172 |
| Enhancements | <u>\$ -</u> | <u>\$ 42,887</u> |
| | \$424,100 | \$444,118 |

➤ Reduction in “Aid to Private Organizations”

- **Phased out over four (4) year period**
 - **AARP / Mental Care Health Clinic / Boys and Girls Club**